

COMPREHENSIVE HOUSING MARKET ANALYSIS

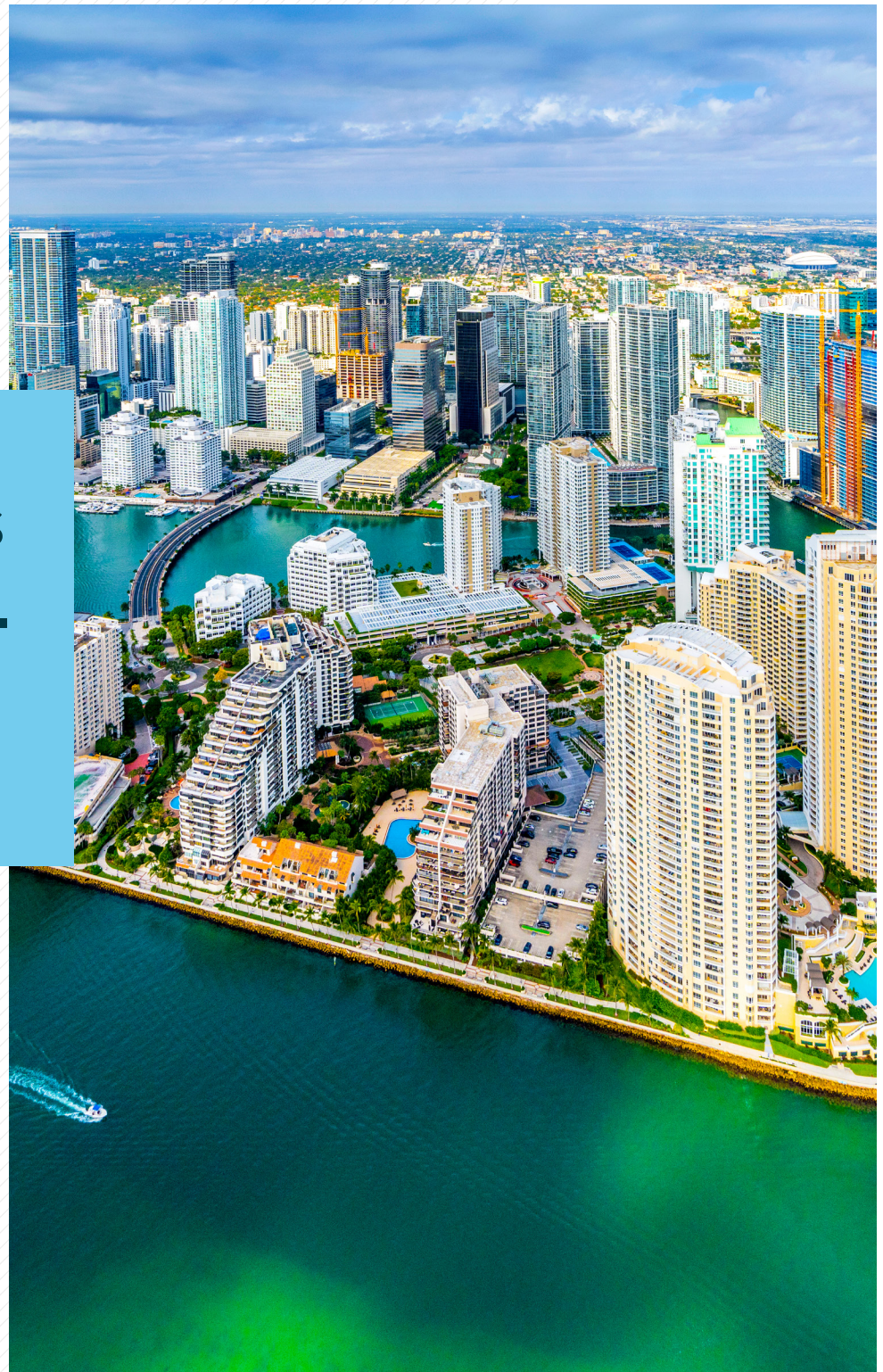
Miami-Miami Beach-Kendall, Florida

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of January 1, 2023



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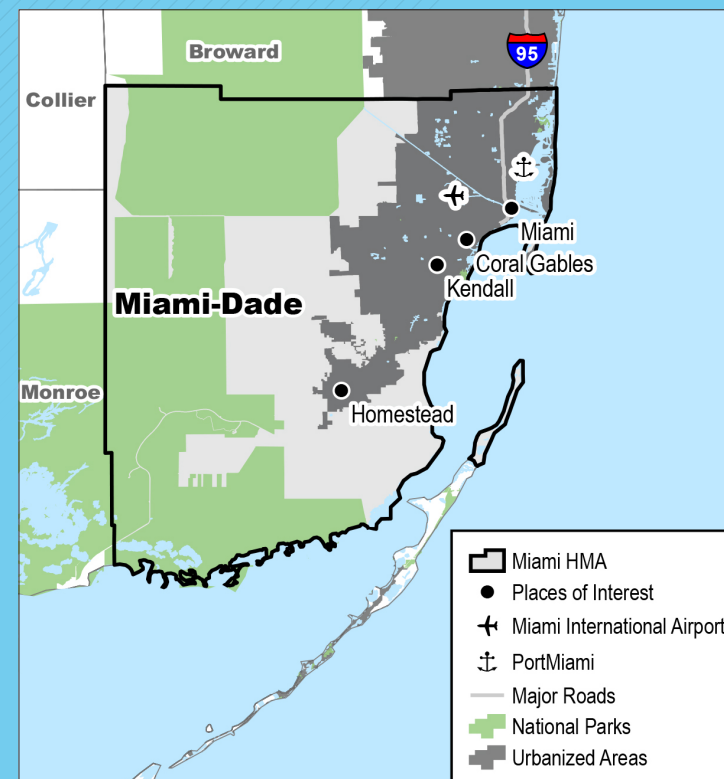
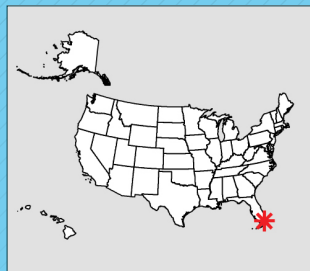
Executive Summary

Housing Market Area Description

The Miami-Miami Beach-Kendall Housing Market Area (hereafter, Miami HMA), on the southeastern coast of Florida, is coterminous with the Miami-Miami Beach-Kendall, FL Metropolitan Division, which consists of Miami-Dade County.

The current population of the HMA is estimated at 2.68 million.

Known as a destination for beautiful beaches and eclectic nightlife, the HMA attracted an estimated 24.2 million visitors who spent an estimated \$19.2 billion in the HMA in 2021 (Greater Miami Convention and Visitors Bureau). The number of visitors during 2021 was unchanged from the previous high during 2019, although spending was up 8 percent, not adjusted for inflation.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).

Market Qualifiers

Economy



Improving: Of the 203,200 nonfarm payrolls lost during the recession of March and April 2020, all were recovered by May 2022 (monthly data, not seasonally adjusted). However, resident employment remains 4.2 percent below the February 2020 level.

Economic conditions in the Miami HMA improved during the past year as nonfarm payroll growth accelerated. During 2022, nonfarm payrolls in the HMA increased by 75,900 jobs, or 6.4 percent, to 1.25 million jobs, following an increase of 41,900 jobs, or 3.7 percent, during the previous year. The leisure and hospitality sector added 18,300 jobs, or 14.9 percent, which accounted for 24 percent of the net job gains in the HMA during the past year. However, the number of jobs in the sector remains 3 percent below the prepandemic high of 146,000 during 2019. During the 3-year forecast period, nonfarm payrolls are expected to expand at an average annual pace of 2.2 percent, with notable growth expected in both the goods-producing and the service-providing sectors, with notably strong gains expected in the leisure and hospitality sector.

Sales Market



Balanced: The average sales prices for new and existing homes each increased 8 percent, and new and existing home sales declined 12 and 21 percent during 2022, respectively (CoreLogic, Inc., with adjustments by the analyst).

The home sales market has an estimated vacancy rate of 1.8 percent, down from 3.2 percent in April 2010. Total home sales decreased 20 percent to 49,200 homes sold during 2022, following an increase of 43 percent during the previous year. During 2022, the average price of a home increased 8 percent to \$601,600, following an increase of 21 percent during the previous year. During the 3-year forecast period, demand is expected for 10,700 new homes. The 2,700 homes under construction will meet most of the demand for the first year of the forecast period.

Rental Market



Slightly Tight: The current overall rental vacancy rate is estimated at 4.6 percent, down from the 9.0-percent rate in April 2010 when conditions were soft.

Strong renter household growth has contributed to notably low vacancy rates since 2021. Renter households currently account for 48.5 percent of all households in the HMA, up from 44.2 percent in 2010. Apartment market conditions are also slightly tight, with a vacancy rate of 4.6 percent as of the fourth quarter of 2022, up from 3.4 percent a year earlier (CoStar Group). The average monthly rent increased 7 percent during the past year to \$2,215. During the next 3 years, demand is estimated for 28,200 new rental units. The 24,500 units under construction are expected to exceed demand for the first 2 years of the 3-year forecast period.

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3-Year Housing Demand Forecast			
Miami HMA	Sales Units		Rental Units
	Total Demand	10,700	28,200
	Under Construction	2,700	24,500

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2023. The forecast period is January 1, 2023, to January 1, 2026.
Source: Estimates by the analyst



Economic Conditions

Largest Sector: Wholesale and Retail Trade

The leisure and hospitality sector, largely supported by a strong tourism industry, is the fourth largest sector in the Miami HMA. The sector has been the fastest growing sector in the HMA during the past year but the second slowest since 2020, largely a result of the pandemic.

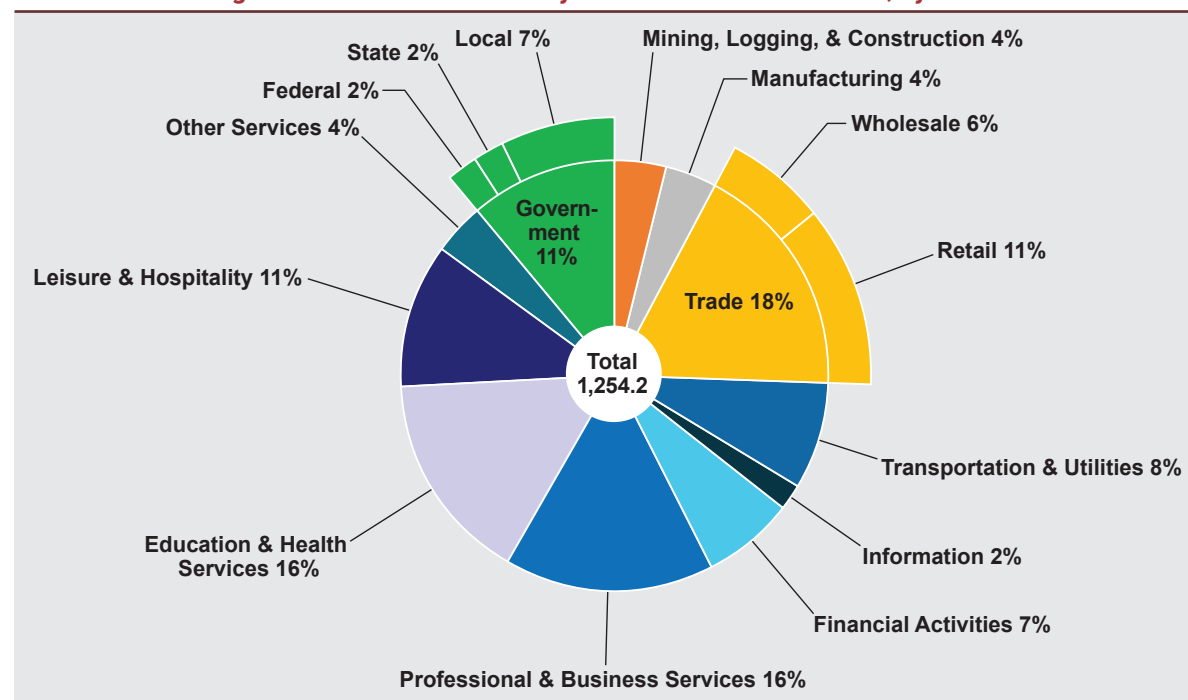
Primary Local Economic Factors

The HMA benefits significantly from its location along the Atlantic coast. In the city of Miami, PortMiami was ranked the busiest cruise port in the World in fiscal year 2020, with 3.48 million passengers. In March 2020, the Centers for Disease Control and Prevention issued a No Sail Order that effectively halted all cruises in the United States. In July 2021, Carnival Cruise Line, launching the Carnival Horizon, became the first major cruise line to resume service in PortMiami after the order was suspended. During fiscal year 2021, nearly 252,100 passengers sailed out of PortMiami. By comparison, 6.82 million cruise passengers sailed out of PortMiami during fiscal year 2019. Even though cruise activity was down during fiscal year 2021, shipping tonnage at the port increased 17.6 percent during the same period. PortMiami has an annual reported economic impact of \$43 billion in the HMA (PortMiami).

The HMA is an international destination for travelers, investors, and workers. Tourism and

international trade through PortMiami and the Miami International Airport contributes significantly to the local economy, with the wholesale and retail trade and the leisure and hospitality sectors accounting for a combined 29 percent of all nonfarm payrolls in the HMA (Figure 1). The HMA is the only metropolitan area in the United States where more than one-half of the total population is foreign born. Primarily due to the international nature of the HMA, global and national trends significantly impact the local economy.

Figure 1. Share of Nonfarm Payroll Jobs in the Miami HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through December 2022.

Source: U.S. Bureau of Labor Statistics

Current Conditions—Nonfarm Payrolls

Economic conditions in the HMA are improving, with nonfarm payrolls averaging 1.25 million jobs during 2022. Nonfarm payrolls increased by 75,900 jobs, or 6.4 percent, during 2022 (Table 1), following an increase of 41,900 jobs, or 3.7 percent, during the previous year. During March and April 2020, nonfarm payrolls declined by 203,200 jobs, down from the 1.24 million nonfarm jobs in February 2020

(not seasonally adjusted) due to the measures implemented to slow the spread of COVID-19. Even though total nonfarm payrolls recovered by May 2022, 4 of 11 sectors remain below February 2020 monthly levels during December 2022.

The service-providing sectors led growth during 2022, with job gains in eight of nine sectors. The leisure and hospitality sector led growth, with a gain of 18,300 jobs, or 14.9 percent. Job gains in the sector were primarily attributed to the continued recovery of jobs lost due to the COVID-19 pandemic. The number of jobs in the sector remains 3 percent below the prepandemic high of 146,000 during 2019. The professional and business services sector is the third largest sector in the HMA and had the second largest gain during 2022, up by 12,700 jobs, or 6.9 percent. With an addition of 11,500 jobs, or 5.5 percent, the wholesale and retail trade sector had the third largest gain. The transportation and utilities sector added 11,300 jobs, or 13.2 percent, the second fastest growth rate in the HMA. The transportation and utilities sector has been the fastest growing sector since 2020 (Figure 2), partly because of an increase in delivery services spurred by a rise in e-commerce during the pandemic. The government sector was the only sector to lose jobs during 2022, with a decline of 1,000 jobs, or 0.7 percent, primarily in the state government subsector.

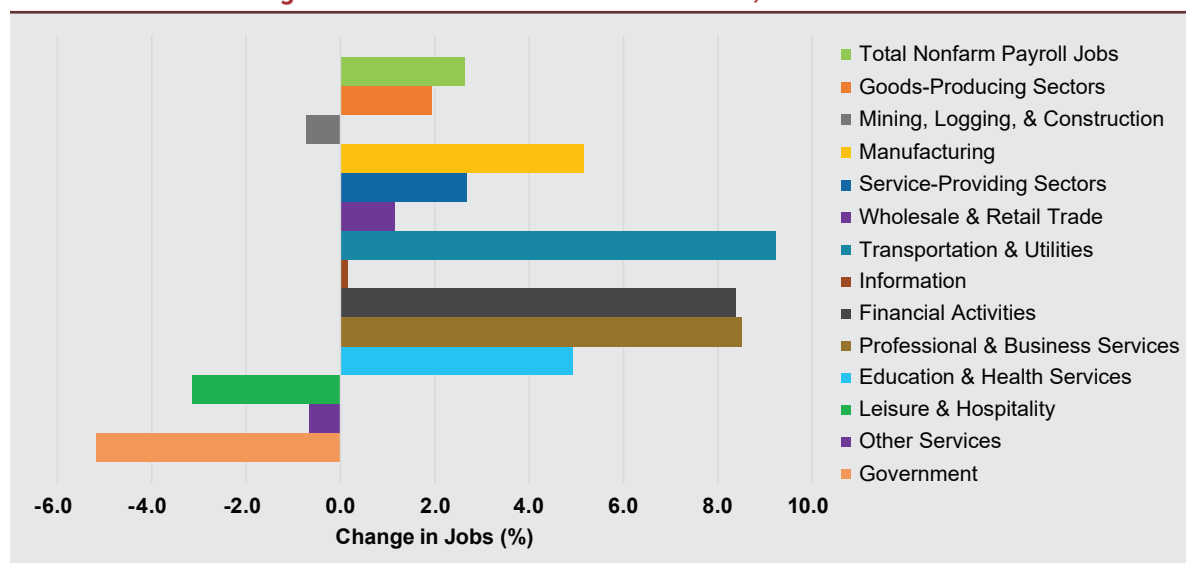
During 2022, increases in the goods-producing sectors reversed declines from the previous year.

Table 1. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Miami HMA, by Sector

	12 Months Ending December 2021	12 Months Ending December 2022	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	1,178.3	1,254.2	75.9	6.4
Goods-Producing Sectors	93.3	98.5	5.2	5.6
Mining, Logging, & Construction	52.5	53.9	1.4	2.7
Manufacturing	40.8	44.6	3.8	9.3
Service-Providing Sectors	1,085.0	1,155.7	70.7	6.5
Wholesale & Retail Trade	209.5	221.0	11.5	5.5
Transportation & Utilities	85.4	96.7	11.3	13.2
Information	20.1	20.6	0.5	2.5
Financial Activities	84.7	88.8	4.1	4.8
Professional & Business Services	185.0	197.7	12.7	6.9
Education & Health Services	192.6	202.6	10.0	5.2
Leisure & Hospitality	123.1	141.4	18.3	14.9
Other Services	46.7	50.1	3.4	7.3
Government	137.9	136.9	-1.0	-0.7

Notes: Based on 12-month averages through December 2021 and December 2022. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the Miami HMA, 2020 to Current



Note: Current is based on 12 months ending December 2022.
Source: U.S. Bureau of Labor Statistics

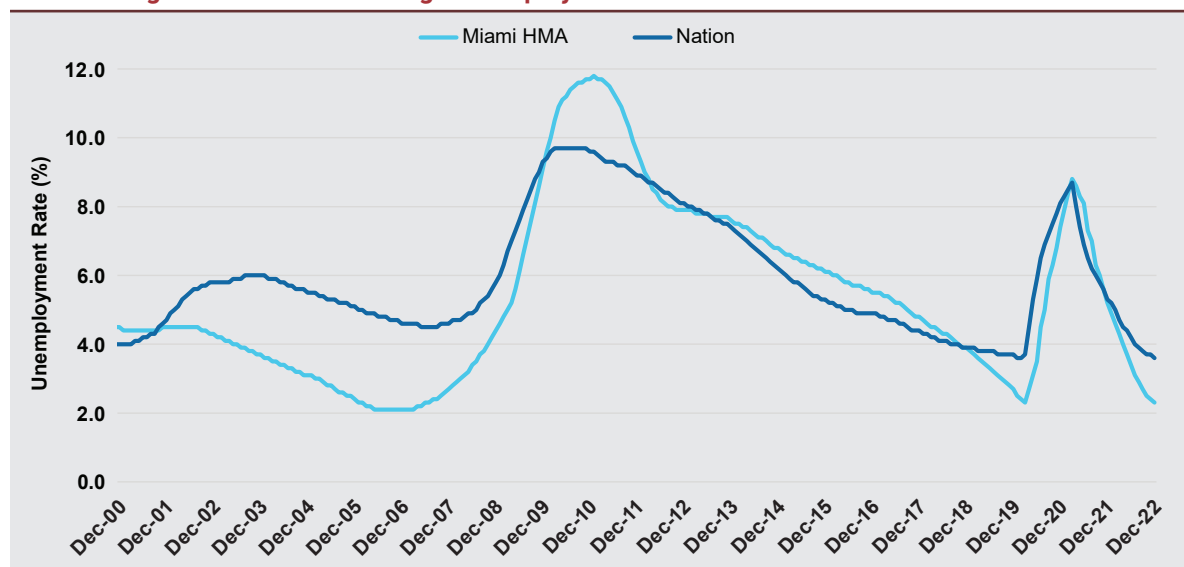
The manufacturing sector gained 3,800 jobs, an increase of 9.3 percent, during 2022, following a decline of 400 jobs, or 0.4 percent, during the previous year. Job losses during 2021 were partly due to supply chain disruptions caused by the countermeasures implemented to slow the spread of COVID-19. Most suppliers have since recovered from the associated labor shortages and limited availability of manufacturing inputs.

Current Conditions— Unemployment

During 2022, the unemployment rate averaged 2.3 percent, down from 5.2 percent a year earlier and less than the 3.6-percent national rate. The unemployment rate in the HMA declined each year from 2011 through 2019, reaching a recent low of 2.3 percent during the 12 months ending March 2020. During February 2020, the unemployment rate was at the lowest monthly rate on record at 1.3 percent, and by July 2020, the unemployment

rate hit the highest monthly rate on record at 15.3 percent. As of December 2022, resident employment and the labor force remain 4.2 and 4.0 percent below February 2020 monthly levels, respectively. Figure 3 shows the 12-month average unemployment rates in the HMA and the nation since 2000.

Figure 3. 12-Month Average Unemployment Rate in the Miami HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

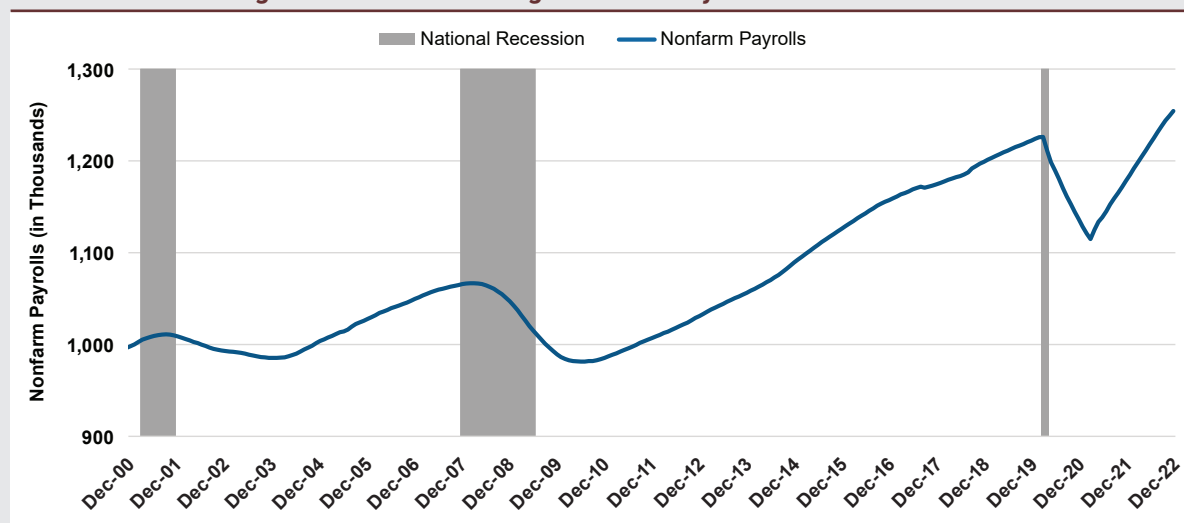
2004 Through 2007

Nonfarm payrolls in the HMA increased each year from 2004 through 2007 (Figure 4). During the 4-year period, payrolls increased by an average of 20,100 jobs, or 2.0 percent, annually. Gains during this period were largest in the professional and business services, the education and health services, and the wholesale and retail trade sectors, which increased annually by averages of 4,800, 4,600, and 4,100 jobs, or 3.6, 3.3, and 2.1 percent, respectively. In 2004, American Sales and Management Organization Corporation, which provides ground handling and passenger services for domestic and foreign carriers, expanded its office, adding 300 jobs in the city of Miami. Overall, losses in the information, the manufacturing, and the transportation and utilities sectors—which declined annually by averages of 1,000, 1,000, and 700 jobs, or 4.2, 2.0, and 1.1 percent, respectively—partially offset nonfarm payroll gains from 2004 through 2007.

2008 Through 2010

Economic conditions contracted from 2008 through 2010 as a result of the national recession and housing crisis of the late 2000s. Nonfarm payrolls during this period declined by an average of 26,800 jobs, or 2.6 percent, annually. Most of those losses occurred in 2009, when nonfarm payrolls fell by 57,900 jobs, or 5.5 percent. Within the HMA, losses were largest

Figure 4. 12-Month Average Nonfarm Payrolls in the Miami HMA



Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

in the mining, logging, and construction and the professional and business services sectors, which declined by averages of 7,800 and 5,400 jobs, respectively, or 16.4 and 4.0 percent, annually from 2008 through 2010. The only gains during this period were in the education and health services and the leisure and hospitality sectors, which increased by averages of 3,500 and 1,000 jobs, respectively, or 2.3 and 0.9 percent, annually.

2011 Through 2019

Economic conditions improved significantly from 2011 through 2019, with nonfarm payroll growth in the HMA outpacing the nation. During the 9-year period, nonfarm payrolls increased by an average of 26,300 jobs, or 2.4 percent, annually. By comparison, payrolls nationwide were up an average of 1.6 percent annually during the same period. Within the HMA, the largest gains were in the professional and business services, the leisure and hospitality, and the education and health services sectors, which were up by averages of 6,200, 4,200, and 3,800 jobs, or 4.2, 3.4, and 2.2 percent, respectively. In 2012, HBO Latin America Group, an owner of cable networks, expanded its office in the city of Miami, adding 100 jobs in the professional and business services sector through 2014. In 2015, Baptist Health South Florida, the ninth largest private

employer in the HMA with 5,125 employees (Table 2), broke ground on the \$430 million Miami Cancer Institute, which was completed during 2017. The government sector was the only sector to lose jobs from 2011 through 2019, down by an average of 300 jobs, or 0.2 percent, annually.

2020

Nonfarm payrolls in the HMA declined faster than in the nation during 2020, because the measures implemented to slow the spread of COVID-19 had a greater effect on areas with significant tourism. During 2020, payrolls declined by 85,800 jobs, or 7.0 percent, compared with a decline of 5.8 percent in the nation. Losses occurred in every sector, with the greatest losses in the leisure and hospitality, the wholesale and retail trade, and the professional and business services sectors, which declined by 39,800, 15,600, and 7,400

Table 2. Major Employers in the Miami HMA		
Name of Employer	Nonfarm Payroll Sector	Number of Employees
Miami-Dade County	Government	30,050
State of Florida	Government	23,700
Federal Government	Government	21,100
University of Miami	Education & Health Services	17,100
Jackson Memorial Hospital	Government	14,000
American Airlines, Inc.	Transportation & Utilities	13,500
Publix Super Markets, Inc.	Wholesale & Retail Trade	12,500
Florida International University	Government	7,400
Baptist Health South Florida	Education & Health Services	5,125
Mount Sinai Medical Center	Education & Health Services	4,000

Note: Excludes local school districts.
Source: Estimates by the analyst

jobs, or 27.3, 7.1, and 4.1 percent, respectively. During March and April 2020, nonfarm payrolls declined by 203,200 jobs, down from the 1.24 million nonfarm jobs in February 2020 (not seasonally adjusted) because of the measures implemented to slow the spread of COVID-19. Even though total nonfarm payrolls fully recovered by May 2022, resident employment remains 4.2 percent below February 2020 levels (not seasonally adjusted), partly a result of remote workers employed by companies in the HMA relocating to more affordable areas outside the HMA.

Forecast

Job growth is expected to continue in the HMA during the 3-year forecast period at a slower pace compared with the rate of growth during the past year. During the next 3 years, payrolls are expected to increase an average of 2.2 percent annually.

Both the goods-producing and the service-providing sectors are expected to contribute to payroll growth during the next 3 years. Miami Worldcenter, the second largest urban development in the nation at 27 acres, began

construction in 2016 on a \$4 billion mixed-use development. Three of the five planned towers are complete, with the addition of the 11-story, 351-room CitizenM Hotel expected in January 2023. Construction is also under way on the 52-story Miami World Tower and the 40-story second tower at Caoba. Construction began in 2022 on the fourth new cruise terminal at PortMiami. The \$380 million terminal, capable of serving 36,000 passengers a day, will be the largest cruise ship terminal in North America when complete in late 2023.



Population and Households

Current Population: 2,680,000

Partly because of a decline in international migration, population growth has slowed from an average annual increase of 1.1 percent from 2010 to 2017 to an average annual decline of 0.2 percent since 2017.

Population Trends

Since the early 2000s, migration patterns have heavily influenced population growth trends in the Miami HMA. Domestic out-migration during much of the 2000s and 2010s partially offset international in-migration; however, domestic out-migration has exceeded international in-migration during much of the period since 2017. From 2000 to 2006, average nonfarm payroll growth of 0.9 percent annually attracted residents to the HMA. During the same period, the population increased by an average of 24,400, or 1.1 percent, annually, with net in-migration representing 43 percent of the population growth. Slower population growth from 2006 to 2007, caused by a decline in international in-migration and the effects of Hurricane Wilma, resulted in an increase of 9,675 people, with net out-migration of 6,675 people partially offsetting strong net natural increase of 16,350 people.

From 2007 to 2009, net in-migration increased to an average of 9,150 people a year, comprising 38 percent of total population growth, which averaged 24,200 people, or 1.0 percent, annually. Increased international in-migration, which continued through the Great Recession and remained strong through 2017, spurred growth during this period. In-migration increased further to an average of 22,500 people each year from 2009 to 2013, as a weakening U.S. dollar and an abundant supply of affordable housing simultaneously contributed to increased international in-migration and slowed domestic out-migration. As a result, total population growth rose to an average of

35,400 people, or 1.4 percent, a year, whereas net natural increase averaged 12,900 people. However, the rate of population growth subsequently slowed, as the large number of homes that were seriously delinquent or in foreclosure were absorbed and home prices rose.

From 2013 to 2017, net in-migration slowed to an average of 12,500 people a year, comprising nearly one-half of total population growth, which averaged 25,150 people, or 1.0 percent, annually. From 2017 to 2019, when home prices continued to rise, the HMA population increased annually by an average of 1,375, or 0.1 percent. During this period, net out-migration averaged 8,375 annually as domestic out-migration exceeded international in-migration, and net natural increase of 9,750 people annually accounted for all the population growth.

The measures to slow the spread of COVID-19 and the impacts of the pandemic on net natural increase significantly affected population growth in the HMA. From 2019 to 2021, net out-migration increased, averaging 27,050 people annually, primarily a result of travel restrictions during the pandemic. During this period, net natural increase slowed to an average of 4,000 people annually. The average decline in population was 23,050, or 0.9 percent, annually. The effects of COVID-19 on migration have lessened since 2021, and net in-migration has increased to an average 9,400 people annually, contributing to an average population increase of 11,600 annually. Net natural increase has averaged 2,200 a year since 2021.

On average, net natural increase has accounted for 33 percent of annual population growth in the HMA since 2010, down from 41 percent during the 2000s. Net natural increase has generally trended down since 2008, with significant declines since 2020, primarily due to the effects of the COVID-19 pandemic (Figure 5).

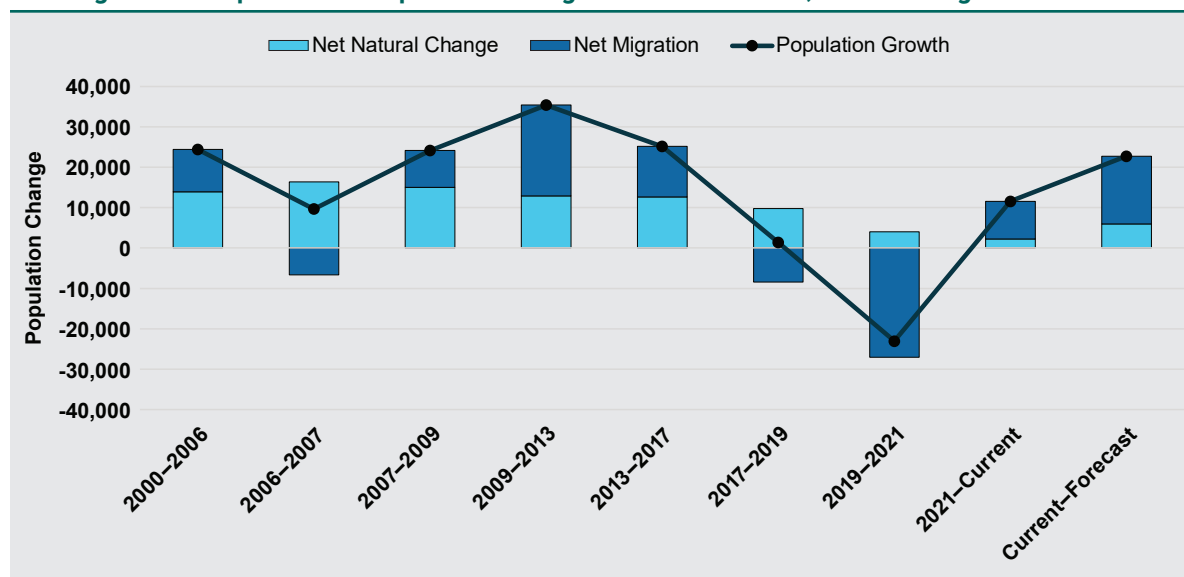


Migration Trends

Net migration into the HMA is primarily the result of people immigrating from outside the nation. From 2010 to 2020, net international immigration into the HMA accounted for an average of 37,450 people annually (U.S. Census Bureau). During the same period, net domestic out-migration averaged 29,300 people annually. During 2021, primarily because of measures to slow the spread of COVID-19, international immigration slowed to 13,900 people, and domestic out-migration increased to 44,800. During the same year, increased unemployment and eligibility for remote work allowed some workers the opportunity to seek more affordable housing outside the HMA.

A significant portion of domestic out-migration from the HMA occurs within the greater three-county Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area (MSA). In general, Miami-Dade County is more expensive than the other two counties in the MSA, Broward and Palm Beach. During 2022, the average home price in Miami-Dade County was nearly 29 percent higher than in Broward County and 6 percent higher than in Palm Beach County (CoreLogic, Inc., with adjustments by the analyst). From 2016 to 2020, approximately 13,500 and 2,800 more people moved out of the HMA to Broward County and Palm Beach County, respectively, than moved into the HMA (2016–2020 American Community Survey 5-year data; Table 3). During the same

Figure 5. Components of Population Change in the Miami HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (January 1, 2023) to January 1, 2026.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Table 3. County-to-County Net Migration Flows in the Miami HMA: 2016–20

Into the HMA	
Kings County, New York	1,325
San Juan, Puerto Rico	590
Martin County, Florida	490
Queens County, New York	480
Bergen County, New Jersey	470
Out of the HMA	
Broward County, Florida	13,500
Orange County, Florida	4,600
Palm Beach County, Florida	2,800
Hillsborough County, Florida	1,950
Harris County, Texas	1,325

Note: Net international immigration offset net domestic out-migration during this period.
Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey 5-year data

period, an estimated 14,850, 13,700, and 5,125 people moved to Miami-Dade County from the Caribbean, South America, and Central America, respectively.

Household Trends

An estimated 989,300 households currently reside in the HMA, up by an average of 9,575, or 1.0 percent, annually since April 2010 (Table 4). The rate of household growth slowed slightly from the average annual increase of 9,050, or 1.1 percent, from 2000 to 2010. Since 2000, the homeownership rate has been declining in the HMA. From 2000 to 2010, the homeownership rate decreased from 57.8 to 55.8 percent, largely because of the economic downturn in the latter part of the decade. Homeownership since 2010 has continued to decrease, because declines in sales housing affordability have prevented many households from purchasing homes. The homeownership rate is currently estimated at 51.5 percent, with renter household growth composing more than 79 percent of net household growth since 2010, up from nearly 62 percent of household growth from 2000 to 2010. Table 5 shows selected population and household demographics in the HMA. Figure 6 shows the numbers of households by tenure and homeownership rates since 2000.

Table 4. Miami HMA Population and Household Quick Facts

Population Quick Facts		2010	Current	Forecast
	Population	2,496,435	2,680,000	2,748,000
	Average Annual Change	24,300	14,400	22,750
	Percentage Change	1.0	0.6	0.8
Household Quick Facts		2010	Current	Forecast
	Households	867,352	989,300	1,021,000
	Average Annual Change	9,050	9,575	10,550
	Percentage Change	1.1	1.0	1.1

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (January 1, 2023) to January 1, 2026.

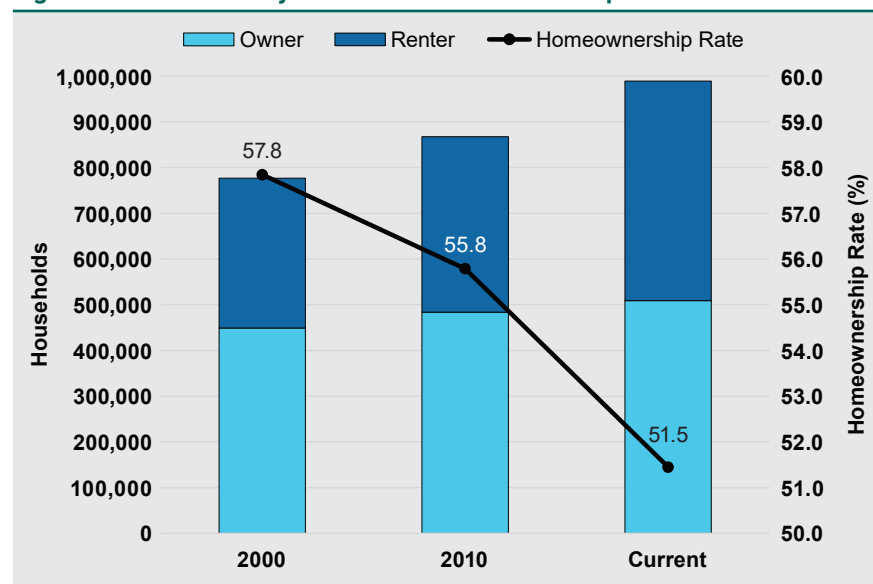
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Table 5. Selected Population and Household Demographics

	Miami HMA	Nation
Population Age 18 and Under	20.2%	22.1%
Population Age 65 and Over	16.9%	16.8%
Median Age	40.9	38.8
White	24.7%	61.2%
Black	15.0%	12.1%
Asian	1.6%	5.8%
Other Race	58.7%	20.9%
Hispanic	69.1%	18.8%
Non-Hispanic	30.9%	81.2%
Median Household Income	\$59,044	\$69,717
Households With One or More Children Under Age 18	30.9%	29.5%

Source: 2021 American Community Survey 1-year data

Figure 6. Households by Tenure and Homeownership Rate in the Miami HMA



Note: The current date is January 1, 2023.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Forecast

During the next 3 years, the population and number of households are expected to increase by averages of 22,750 and 10,550, or 0.8 and 1.1 percent, respectively. The increase in the population growth rate, compared with recent trends, is in response to the expected continued economic recovery during

the 3-year forecast period and an increase in net in-migration to an average of 16,850 people annually. Based on anticipated economic and migration trends, by January 1, 2026, the population and the number of households are estimated to be 2.75 million and 1.02 million, respectively.



Home Sales Market

Market Conditions: Balanced

The total number of homes sold declined 20 percent in the Miami HMA during 2022 but remained higher than the total for any calendar year from 2016 through 2020.

Current Conditions

The sales housing market in the HMA is currently balanced, with an estimated sales vacancy rate of 1.8 percent (Table 6), down significantly from 3.2 percent in 2010. The for-sale inventory for single-family homes rose from a 2.0-month supply in December 2021 to a 4.0-month supply in December 2022. During the same period from December 2021 to December 2022, the for-sale inventory for condominiums and townhomes rose from a 3.0-month supply to a 4.1-month supply (Miami Association of REALTORS®). The increase in supply coincided with a 20-percent decline in sales during the past year, and mortgage interest rates and average home sales prices increased compared with the previous year (CoreLogic Sales, with adjustments by the analyst). New and existing home sales in the HMA declined to 49,200 homes sold during 2022, down 20 percent compared with the previous year, and the average new and existing home sales price rose 8 percent to \$601,600.

Resale Sales and Prices

The number of resale sales in the HMA declined during the past year, coinciding with increasing

Table 6. Home Sales Quick Facts in the Miami HMA

	Miami HMA	Nation
Vacancy Rate	1.8%	NA
Months of Inventory	4.0	2.0
Total Home Sales	49,200	6,336,000
1-Year Change	-20%	-18%
New Home Sales Price	\$700,000	\$490,100
1-Year Change	8%	15%
Existing Home Sales Price	\$592,000	\$397,400
1-Year Change	8%	7%
Mortgage Delinquency Rate	1.7%	1.2%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2022; and months of inventory and mortgage delinquency data are as of December 2022. The current date is January 1, 2023.

Sources: Vacancy rate—estimates by the analyst; months of inventory, mortgage delinquency rate, home sales, and prices—CoreLogic, Inc.

mortgage interest rates and rising home sales prices. During 2022, resale sales decreased 21 percent to 44,400 sales compared with the previous year (CoreLogic, Inc., with adjustments by the analyst). The average price of a resale sale increased 8 percent to \$593,450. From 2002 through 2005, the sale of resale homes increased an average of 6 percent annually to 68,300 homes sold in 2005. Average resale sales prices during that period increased an average of 17 percent annually to \$332,300. Due in part to the effect of Hurricane Wilma, the number of resale sales declined, and the average resale sales price increased during the following 3 years. From 2006 through 2008, resale sales decreased by an average of 16,500 sales, or 35 percent, annually to 18,750 homes sold in 2008, and the average sales price increased from \$370,500 in 2006 to \$425,300 in 2008.

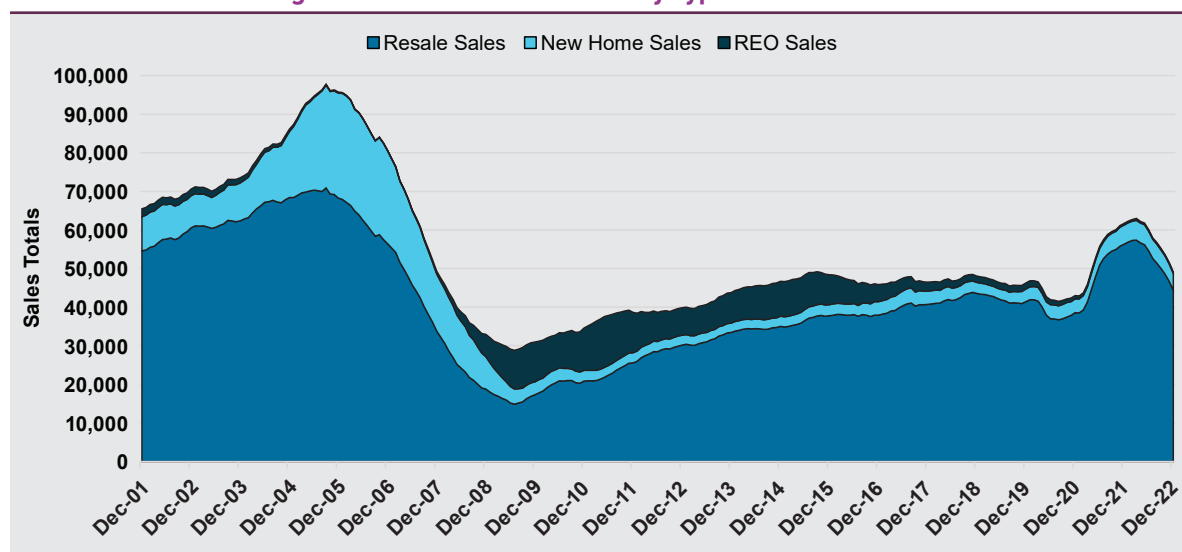
As the HMA recovered from the damage Hurricane Wilma caused, the local impact of the national housing crisis intensified, contributing to declining resale sales and prices. During 2009, resale sales decreased by 1,525, or 8 percent, to 17,250 homes sold, and the price of resale sales declined. The average price of a resale sale declined 21 percent to \$337,500, and an increase in real estate owned (REO) sales contributed to the downward pressure on the average sales price. REO sales increased from 150 sales in 2006 to an average of 10,650 between 2009 and 2010 annually. The average price of an REO sale decreased an average of 20 percent annually from \$521,600 in 2006 to \$123,300 in 2010. When the economy recovered and strengthened, demand for sales housing returned. From 2010 through 2018, resale sales increased, and REO sales declined. During this period, resale sales increased by an average of 2,925

homes sold, or 11 percent, annually, whereas REO sales, which fluctuated, declined by an average of 960 sales, or 18 percent, annually. During 2010 and 2011, the average resale sales price declined an average of 7 percent annually before rising an average of 7 percent a year from 2012 through 2015. During 2016 and 2017, resale sales and resale sales prices declined by an average of 4 and 1 percent annually, before increasing 5 and 9 percent, respectively, during 2018. During 2019 and 2020, resale sales declined by an average of 2,500, or 6 percent, annually. The average resale sales price declined 3 percent during 2019, before increasing 15 percent to an average of \$455,100 during 2020. Figures 7 and 8 show the number of home sales and average sales prices, respectively, in the HMA by sales type since 2001.

New Home Sales and Prices

New home sales, as a share of total homes sold, remain subdued in the HMA compared with the early 2000s. New home sales accounted for 22 percent of total homes sold from 2002 through 2005, when an average of 15,600 new homes sold annually. During the same period, the average price of a new home increased an average of 8 percent annually to \$281,800 in 2005. Increasing demand for lower-priced existing homes, net out-migration during 2006 and 2007, the national housing crisis beginning in 2007, and the subsequent weak housing market through 2013 resulted in downward pressure on new home sales. New home sales decreased an

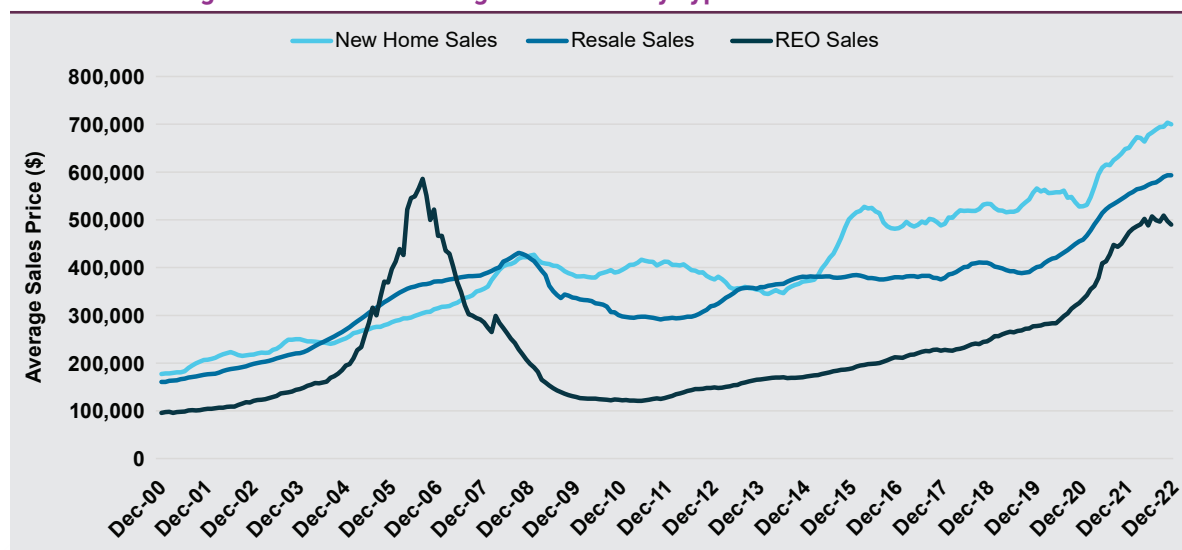
Figure 7. 12-Month Sales Totals by Type in the Miami HMA



REO = real estate owned.

Source: CoreLogic, Inc., with adjustments by the analyst

Figure 8. 12-Month Average Sales Price by Type of Sale in the Miami HMA



REO = real estate owned.

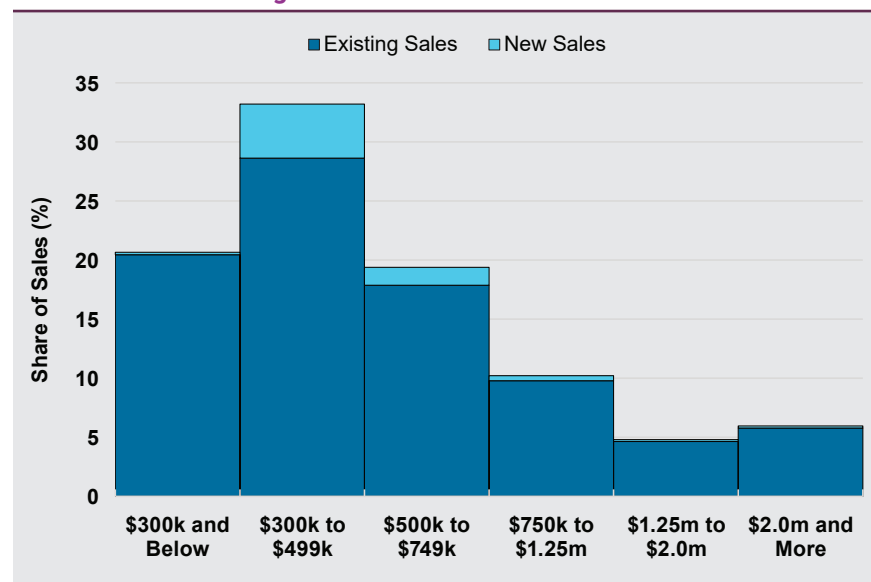
Source: CoreLogic, Inc., with adjustments by the analyst

average of 3,100, or 26 percent, annually from 2006 through 2013 to 2,450 new homes sold in 2013. In 2006, the average price of a new home was nearly 16 percent less expensive than the average price of a resale home.

By 2009, the average price of a new home exceeded the price of a resale home by 14 percent because of the decline in available, affordable developable lots. The average price of a new home declined nearly 9 percent during 2009 to \$385,500, before the effects of the Homebuyer Assistance and Improvement Act of 2010, which contributed to an average 3-percent increase in price annually during 2010 and 2011. During 2012 and 2013, the decline in the average price of a new home resumed, decreasing by an average \$29,150, or 7 percent, annually to \$354,200. When economic conditions in the HMA recovered and strengthened after the Great Recession, new home sales gradually increased. From 2014 through 2016, new home sales increased an average of 12 percent annually to 3,475 homes sold in 2016. The average new home sales price increased by an average of 19 percent a year from 2014 through 2015, before declining 4 percent during 2016. During 2017 and 2018, new home sales declined an average 10 percent annually to 2,850 sales during 2018. New home sales then increased an average 12 percent during 2019 and 2020 to 3,575 new homes sold in 2020. The average price of a new home increased at an average of 5 percent annually from 2017 through 2019, before declining 5 percent during 2020, mostly because of the measures to slow the spread of COVID-19.

During 2022, new home sales declined 12 percent to 4,375 homes sold compared with a year earlier, and the average price of a new home increased 8 percent to \$700,000. Due in part to rising construction costs and a declining amount of developable land, the average price of a new home in the HMA was 18 percent higher than the price of an existing home during 2022, and many homebuyers continued to opt for the cheaper prices of existing homes. As a result, new home sales accounted for only 9 percent of total home sales during 2022. Figure 9 shows the share of home sales by price range during 2022 (Zonda).

Figure 9. Share of Overall Sales by Price Range During the 12 Months Ending December 2022 in the Miami HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

Real Estate Owned Sales and Delinquent Mortgages

The national foreclosure crisis significantly impacted the HMA, resulting in an elevated share of REO properties as a proportion of total home sales through 2011. Since 2011, the for-sale housing market has improved significantly. REO sales accounted for about 1 percent of total home sales from 2000 through 2007. The share of REO sales began increasing in 2008, and from 2009 through 2011, REO sales averaged 27 percent of total home sales. As economic conditions improved, REO sales declined sharply, accounting for 16 percent of total sales from 2012 through 2015, 4 percent of total sales from 2016 through 2021, and less than 1 percent of total sales during 2022. The average price of an REO home plummeted during the housing market crisis and contributed to the decline in the average price of existing homes. In 2006, the average price

of an REO home peaked at \$521,600, which was nearly 41 percent higher than the average price of a resale sale. From 2007 through 2010, the average price of an REO home decreased 30 percent annually to \$123,300, 59 percent less than the average price of a resale sale home; the decrease contributed to the declining price of existing homes during the period.

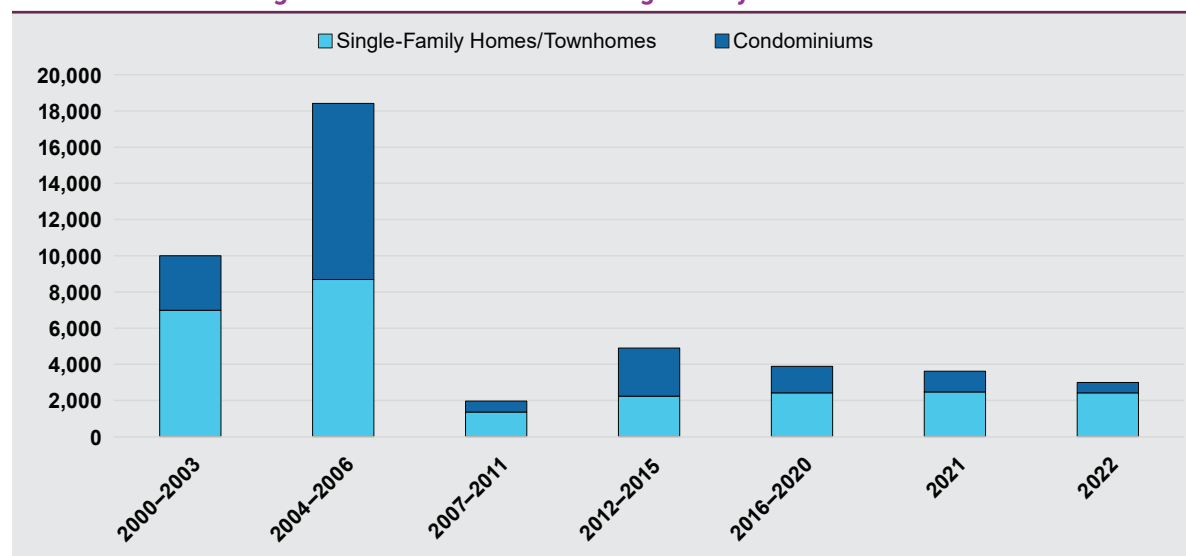
The rate of seriously delinquent mortgages and REO properties in the HMA dropped sharply following the Great Recession, but the rate spiked as a result of the countermeasures to slow the spread of COVID-19. By March 2020, the rate of seriously delinquent mortgages and REO properties had declined to 2.3 percent from the peak of 28.0 percent in February 2010. Even though the number of REO properties has generally declined since 2011 and is at the lowest level recorded since 2005, seriously delinquent mortgages increased as the measures to reduce the spread of COVID-19 made it difficult for some homeowners to remain current on their mortgages. During August 2020, the rate of seriously delinquent mortgages reached a recent peak of 10.2 percent. The sharp increase in the rate was due almost entirely to delinquent mortgages, many of which did not move into REO status or foreclosure due to the payment forbearance for federal government-backed mortgages enacted in the Coronavirus Aid, Relief, and Economic Security, or CARES, Act. As the economy strengthened, the rate of seriously delinquent mortgages and REO properties fell to 1.7 percent during December 2022.

Sales Construction Activity

The construction of for-sale housing in the HMA, as measured by the number of sales units permitted, has been subdued since 2015, partly because of limited developable land, slower population growth, and households increasingly opting to rent. From 2004 through 2006, an average of 18,450 homes were permitted annually (see building permits; Figure 10). From 2007 through 2011, construction of for-sale housing decreased to an average of 1,975 homes annually, primarily a result of the national housing crisis. From 2012 through 2015, an average of 4,900 homes were permitted annually, when the economy recovered and in-migration was strong. From 2016 through 2020, for-sale housing construction slowed, averaging 3,875 homes permitted each year. During 2022, permitting decreased 17 percent from a year earlier to 3,000 for-sale homes (preliminary data, with adjustments by the analyst).

Condominium construction averaged 3,575 units a year, or approximately 51 percent of the homes permitted in the HMA from 2004 through 2015, and has since slowed significantly, both in the number of units permitted and the share of for-sale inventory. From 2016 through 2020, the number of condominium units permitted averaged 1,475, accounting for 38 percent of all sales units permitted. Condominium construction

Figure 10. Annual Sales Permitting Activity in the Miami HMA



Sources: U.S. Census Bureau, Building Permits Survey; 2000–21—final data and estimates by the analyst; 2022 data—preliminary data and estimates by the analyst

declined further to 1,150 and 570 units during 2021 and 2022, respectively, accounting for 32 and 19 percent of the homes permitted.

Recent Development Activity by Geography

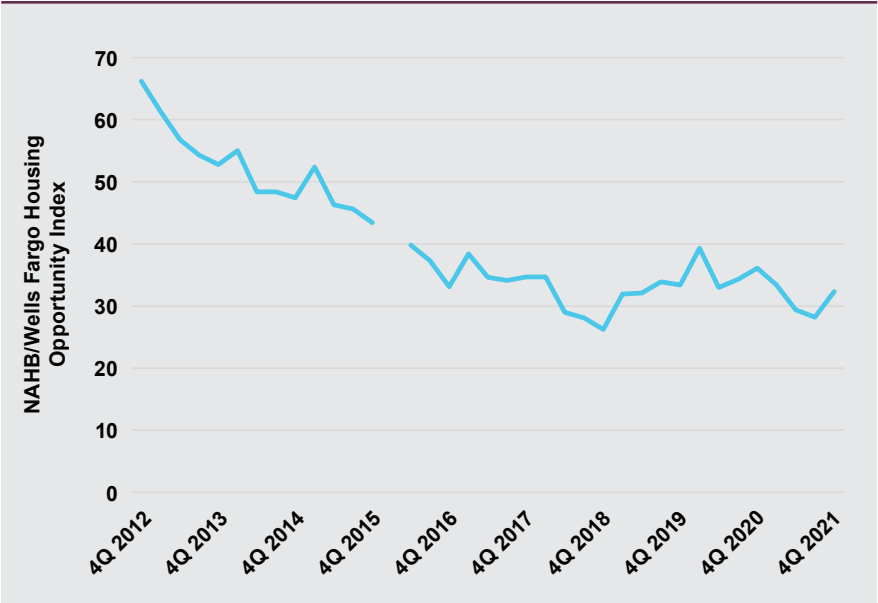
Within the HMA, new home development activity is notably divided between higher density coastal areas and regions further inland, where larger amounts of available land allow for more single-family home development. Heritage Ranch, a planned community in the city of Homestead approximately 30 miles southwest of the city of Miami, offers single-family homes that start at \$708,000. Galiano Pointe, a master-planned community in the city of Miami with plans for 181 single-family homes, is under way, with new single-family home prices starting at \$617,000. Condominium construction is primarily along the expensive coastal areas, where land availability is scarcer. Five Park, a highrise development in the city of Miami Beach with plans for 98 two- to five-bedroom fully furnished homes, is under way, with home prices starting at \$2.53 million.

Housing Affordability

Homeownership in the HMA has become relatively expensive, with affordability declining significantly since the early 2010s. Excess inventory from the previously soft market conditions from 2008 through 2016 has been absorbed. The share of REO properties and seriously delinquent mortgages has declined sharply, and home prices, especially for new homes, have increased notably faster than incomes. The National Association of Home Builders and Wells Fargo Housing Opportunity Index, which represents the share of homes sold that would have been affordable to a family earning the local median income, decreased from 66.2 during the fourth quarter of 2012 to 32.3 during the fourth quarter of 2021 (most recent data available; Figure 11). During the fourth quarter of 2021, 203 of 239 metropolitan areas in the nation, or 85 percent, were ranked as more affordable than the HMA. Affordability is likely to have declined further since 2021, because home prices have continued to rise. Affordability concerns are particularly

pronounced among younger homeowners aged 25 to 44. As of 2021, 30 percent of homeowners in the HMA were aged 25 to 34, and 45 percent of homeowners were aged 35 to 44, compared with rates of nearly 42 and 61 percent, respectively, nationally. Table 7 shows homeownership rates by age of householder for the HMA and the nation.

Figure 11. Miami HMA Housing Opportunity Index



4Q = fourth quarter. NAHB = National Association of Home Builders.
Note: Data were not available for the first quarter of 2016 or since the first quarter of 2022.
Sources: NAHB; Wells Fargo

Table 7. Homeownership Rates by Age of Householder in the Miami HMA

	Miami HMA			Nation		
	2000	2010	2021	2000	2010	2021
Householder Age 25 to 34 Years	40.4	28.1	30.3	45.6	42.0	41.5
Householder Age 35 to 44 Years	56.2	52.2	45.0	66.2	62.3	60.9
Total Households	57.8	57.0	52.5	66.2	65.1	65.4

Sources: 2000 and 2010 Decennial Census; 2021 American Community Survey 1-year data



Forecast

During the 3-year forecast period, demand is expected for 10,700 new homes, with demand evenly distributed annually across the period (Table 8). Demand is expected to result from improving economic conditions and expected population growth. The 2,700 homes under construction will satisfy most of the demand during the first year of the forecast period.

**Table 8. Demand for New Sales Units in the Miami HMA
During the Forecast Period**

Sales Units	
Demand	10,700 Units
Under Construction	2,700 Units

Note: The forecast period is from January 1, 2023, to January 1, 2026.

Source: Estimates by the analyst



Rental Market

Market Conditions: Slightly Tight

The apartment market has tightened during the past 2 years, with average annual rent growth of 12 percent and vacancy rates below 5.0 percent.

Current Conditions and Recent Trends

Overall rental housing market conditions—which include single-family home rentals, townhomes, and mobile homes—are currently slightly tight in the Miami HMA, with an overall estimated rental vacancy rate of 4.6 percent, down from 9.0 percent in 2010 (Table 9). Rental market conditions were balanced in the HMA for much of the 2010s because of increased multifamily completions, which have been on the rise since 2013. Even though multifamily construction has been increasing, a slowdown in multifamily completions during 2021, primarily due to supply chain disruptions, resulted in a temporary sharp decline in vacancy rates.

Approximately 27 percent of renter households in the HMA live in single-family homes, townhomes, and mobile homes (2021 American Community Survey 1-year data). Approximately 9 percent live in buildings with two to four units, and 63 percent live in larger buildings with five or more units.

Table 9. Rental Market Quick Facts in the Miami HMA

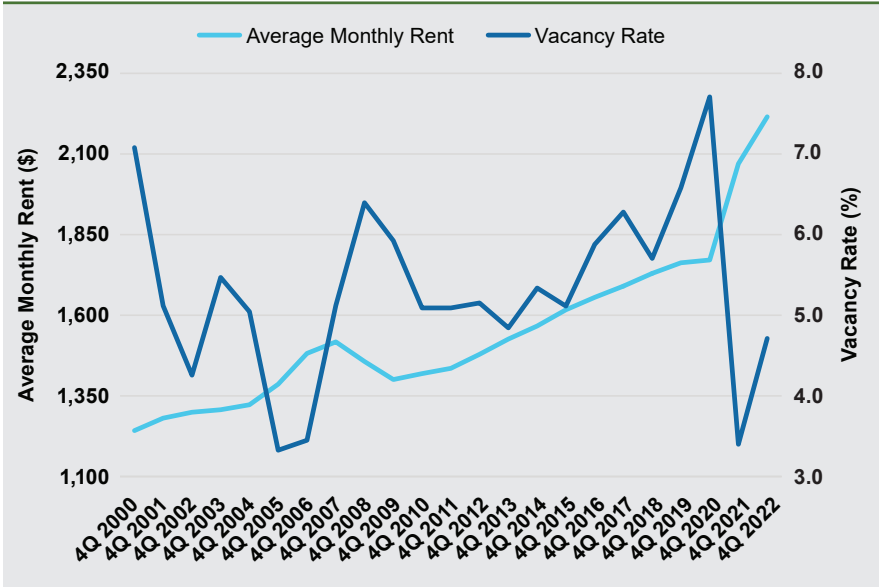
Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	9.0	4.6
		2010 (%)	2021 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	31	26
	Multifamily (2–4 Units)	11	9
	Multifamily (5+ Units)	57	63
	Other (Including Mobile Homes)	1	1

Notes: The current date is January 1, 2023. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2021 American Community Survey 1-year data

For professionally managed units, the single-family rental vacancy rate was 2.2 percent in December 2022, down slightly from 2.3 percent in December 2021, and the average rent for a single-family home increased 13 percent to \$2.40 per square foot (CoreLogic, Inc.). Rents for professionally managed single-family rental units averaged \$2,293, \$2,819, \$3,150, and \$3,770 for one-, two-, three-, and four-bedroom units, respectively. The vacancy rate among single-family rentals that were professionally managed declined from 3.5 percent to 2.4 from 2012 through 2021, with average annual rent growth of 4 percent.

Apartment market conditions in the HMA are currently slightly tight. As of the fourth quarter of 2022, the apartment vacancy rate was estimated at 4.6 percent, up from 3.4 percent in the fourth quarter of 2021 (CoStar Group). The vacancy rate increased during the past year but remains well below the vacancy rates from 2008 through 2020 (Figure 12). The average apartment rent

Figure 12. Apartment Rents and Vacancy Rates in the Miami HMA



4Q = fourth quarter.

Source: CoStar Group

increased 7 and 17 percent during 2022 and 2021, respectively. By comparison, the average annual rent growth was 2 percent from 2010 through 2020. As of the fourth quarter of 2022, the average apartment rent was \$2,215, averaging \$2,014 for a one-bedroom unit, \$2,315 for a two-bedroom unit, and \$2,398 for a three-bedroom unit.

Market Conditions by Geography

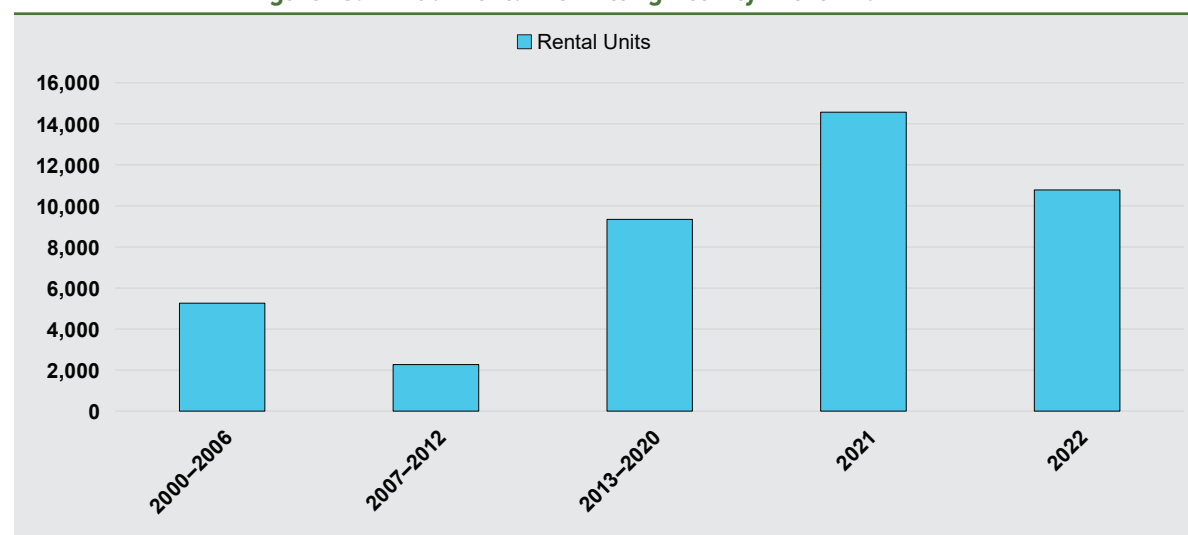
The coastal portion of the HMA, primarily east of Interstate 95, is in high demand because of its proximity to beaches and jobs; therefore, rents are high, and recent rental construction activity has been elevated. Further inland, rents are typically lower, because workers must travel farther to the primary job centers in and around the city of Miami. The CoStar Group-defined Downtown Miami market area includes downtown Miami and a significant portion of the coastline; that market area has the second highest average rents in the HMA. As of the fourth quarter of 2022, the average rent increased 6 percent to \$2,855 compared with a year earlier. Nearly one-half of the apartment units completed in the HMA during the past year are in this market area, and the vacancy rate increased from 5.5 percent a year ago to 6.4 percent in the fourth quarter of 2022. The lowest vacancy rate in the HMA in the fourth quarter of 2022, 0.6 percent, was in the CoStar Group-defined Westchester-Tamiami market area, down slightly from 0.9 percent a year earlier. Recent apartment completions have been relatively scarce in this market area, which

is west of Downtown Miami, and average rents remain relatively low. As of the fourth quarter of 2022, the average rent increased 6 percent to \$1,745, the third lowest rent of the 16 CoStar Group-defined market areas in the HMA. The fastest rent growth during the past year occurred in the CoStar Group-defined Hialeah-Miami Lakes market area, approximately 8 miles northwest of Downtown Miami. The average rent increased 12 percent during the past year to \$1,827, and the vacancy rate increased from 0.6 percent a year ago to 1.5 percent as of the fourth quarter of 2022.

Rental Construction Activity

Permitting of rental units has generally been at high levels since 2013 and increased significantly during 2021 as the apartment market tightened (Figure 13). Rental permitting averaged 5,250 units annually from 2000 through 2006. From 2007 through 2012, an average of 2,275 rental units were permitted, followed by an average of 9,350 units each year from 2013 through 2020. During 2022, approximately 10,750 rental units were permitted, down 26 percent compared with the 14,550 units permitted during 2021 but well above the average levels throughout the 2000s and 2010s. An estimated 24,500 rental units are currently under construction in the HMA, primarily in the city of Miami.

Figure 13. Annual Rental Permitting Activity in the Miami HMA



Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–21—final data and estimates by the analyst; 2022 data—preliminary data and estimates by the analyst

Recently Completed Rental Properties

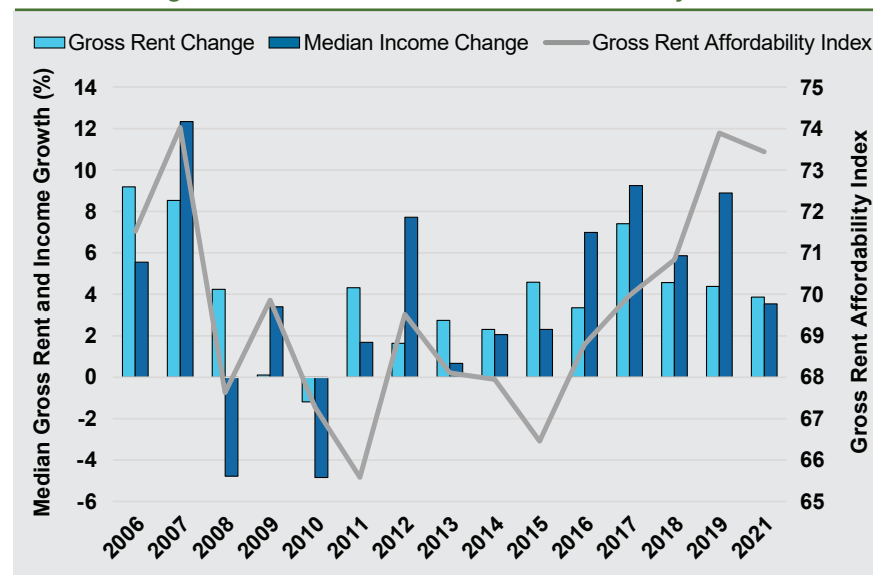
Nearly all newly constructed units have been concentrated in and around the city of Miami during 2022. The 240-unit Soleste Spring Gardens, which opened in 2022 in the city of Miami, is among several recently completed apartment developments. The development includes studio, one-, two-, and three-bedroom units ranging from 400 to 1,215 square feet, with monthly rents from \$1,830 to \$4,414. Another example of new construction is the 312-unit Altis Ludlam Trail, completed in late 2022 in southern Miami, with rents starting at \$2,006, \$2,235, \$2,765, and \$3,105 for studio, one-, two-, and three-bedroom units, respectively.

Housing Affordability: Rental

Rental housing remains extremely expensive in the HMA, although rental affordability has generally trended upward since the mid-2010s. The median gross monthly rent in the HMA rose 52 percent from \$997 in 2010 to \$1,517 in 2021. During the same period, the median household income for renter households increased 66 percent from \$26,831 to \$44,561. As a result, the HUD Rental Affordability Index, a measure of median renter household income relative to qualifying income for the median-priced rental unit, has remained at or below 74 since 2007. The index was 73.4 during 2021 (using the latest data available), down slightly from the recent high of 73.9 in 2019. Figure 14 compares the year-to-year change in the median gross rent—including single-family homes, apartments, and mobile homes for rent—with the respective change in the median gross income.

From 2015 through 2019, 26.3 percent of all renter households in the HMA were cost burdened, spending between 31 and 50 percent of their income on rent, whereas 32.3 percent were severely cost burdened, spending more than 51 percent of income toward rent (Table 10). Nationwide, the proportion of cost-burdened and severely cost-burdened renter households was less at 21.7 and 22.2 percent, respectively. Severe cost burdens are particularly notable for lower-income renter households in the HMA. For renter households with

Figure 14. Miami HMA Gross Rent Affordability Index



MSA = metropolitan statistical area.

Notes: Rental affordability is for the larger Miami-Miami Beach-Kendall Metro Division. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure. Data for 2020 are not available. Data for 2021 are the average change from 2019 through 2021.

Source: American Community Survey 1-year data

Table 10. Percentage of Cost Burdened Renter Households by Income, 2015–19

	Moderate to High Cost Burden: 31–50 Percent of Income Toward Housing Costs		Severe Cost Burden: 51 Percent or More of Income Toward Housing Costs	
	Miami HMA	Nation	Miami HMA	Nation
Renter Households with Income <50% HAMFI	23.3	27.5	57.2	47.4
Total Renter Households	26.3	21.7	32.3	22.2

HAMFI = HUD Area Median Family Income.

Sources: Consolidated Planning/Comprehensive Housing Affordability Strategy data; 2015–2019 American Community Survey 5-year estimates

incomes less than 50 percent of the area median family income, only 23.3 percent were paying between 31 and 50 percent of their income toward rent, but most households at these income levels, 57.2 percent, were severely cost burdened. By comparison, 27.5 percent of lower-income renter households nationwide were spending 31 to 50 percent of income on rent, and 47.4 percent were spending 51 percent or more of their income on rent.

As housing across the board becomes costlier in the HMA, an increasingly high household income is required to enter the sales market. Slower growth in household income compared with growth in home sales prices since 2010 has restricted the number of households with income sufficient to enter the owner market. The difference between the spread of household incomes for renters and owners has gotten slightly smaller as a result. During 2021, the median owner household income was 1.7 times the median renter household income. By comparison, the median owner household income was 2.0 times the median renter household income in 2010. Nationwide, the income gap

between renters and owners shrank slightly less during the same period. Nationwide, the median owner household income was 1.9 times the median renter household income in 2021 compared with a ratio of 2.1 in 2010.

Forecast

During the 3-year forecast period, demand is estimated for 28,200 apartments in the HMA (Table 11). Demand is expected to be evenly distributed among all years of the forecast period. The 24,500 units under construction are expected to exceed demand for the first 2 years of the forecast period.

Table 11. Demand for New Rental Units in the Miami HMA During the Forecast Period

Rental Units	
Demand	28,200 Units
Under Construction	24,500 Units

Note: The forecast period is from January 1, 2023, to January 1, 2026.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in a housing market area (HMA). Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Cost Burdened	Spending more than 30 percent of household income on housing costs. Moderate to high-cost burden refers to households spending 31 to 50 percent of income on housing costs. Severe cost burden refers to households spending 51 percent or more of income on housing costs.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Existing Home Sales	Includes resale sales, short sales, and real estate owned sales.
Forecast Period	1/1/2023–1/1/2026—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births minus resident deaths.

Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Resale Sales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area and metropolitan division definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2010 Census.

C. Additional Notes

1.	The National Association of Home Builders Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.



3.	<p>The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.</p>
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